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Kami Kaur
General Manager
Australian Energy Regulator
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By email AERGasResets2026-31@aer.gov.au

11 February 2026

Dear Kami,

**Submission to the Australian Energy Regulator:
Australian Gas Networks SA Access Arrangement 2026-31 – Draft Decision**

The Energy and Water Ombudsman (SA) Limited (EWOSA) welcomes the opportunity to submit to the Australian Energy Regulator (AER) on the Draft Decision for Australian Gas Networks SA's (AGN SA) Access Arrangement for the 2026-2031 period, as well as the Revised Final Plan from AGN SA.

EWOSA is the independent energy and water ombudsman scheme in South Australia. It receives, investigates and facilitates the resolution of complaints by customers with regard to (*inter alia*) the connection, supply or sale of electricity, gas or water.

EWOSA is a member of the AGN SA South Australian Reference Group (SARG) and we support the submission made by the SARG Review Panel to the AER on the Draft Decision and the AGN SA Revised Final Plan.

One specific issue EWOSA would like to re-emphasise from an earlier submission that we provided regards the AER's Draft Decision for AGN SA to implement flatter tariff profiles for its customers.

Any substantial shift in gas price structures – such as to flatter tariffs – should be gradual and be implemented across at least one Access Arrangement period. A gradual transition to flatter tariffs was considered a fairer option to more customers than a fast transition, according to AGN SA engagement with customers after the AER's Draft Decision was released.

Key insights from KPMG's assessment of that engagement were:

- customers seek a smooth and equitable transition and support additional depreciation today, recognising its role in the long-term interests of customers and all parties
- customers consider it fairer to gradually, rather than rapidly, flatten tariffs
- customers valued the deliberative approach for enabling informed, balanced decisions that consider shared value.

Given the very small reduction in emissions modelled by AGN SA, we consider it inappropriate to pursue a significant shift to flat tariffs with emissions reduction as the rationale. The costs clearly outweigh the benefits, particularly in terms of equity. Indeed, the impact of a move to flat tariffs on high use gas customers, as modelled by AGN SA, would potentially hit the most vulnerable consumers hardest – those living in energy inefficient homes and with the least ability to afford higher gas bills or to electrify their homes. It would also raise costs for some businesses substantially, perhaps even forcing a few to close.

We also note that while neither AGN SA nor the AER appear to consider gas prices to be an important determinant in the gas demand forecasts, gas prices are considered by the AER to be important when determining gas demand when it relates to emissions reduction. This is inconsistent.

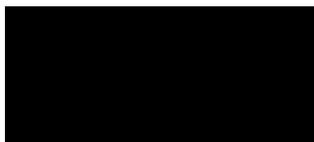
It should also be noted that an important argument for maintaining declining block tariffs are to help to smooth bills across the year, with higher gas consumption in winter being driven by cold weather, not by a lower gas price due to declining block tariffs. Vulnerable customers should not be paying more to heat their homes in winter for an, at best, marginal reduction in emissions.

While AGN SA has accepted the AER's preference for a two block tariff structure for residential customers, we support the AGN SA proposal in the Revised Final Plan to modify the AER's Draft Decision on the tariff structure for commercial customers and reject the AER's Draft Decision to change the tariff structure for industrial customers.

EWOSA believes the AER's treatment of abolishment charges in the Final Decision should be consistent with the Australian Energy Market Commission's draft rule or subsequent final rule on abolishment charges in the "Establishing a Regulatory Framework for Retail Customer Initiated Gas Abolishment" rule change.

Thank you for consideration of this submission. Should you require further information or have any enquiries regarding this submission, please contact me at [REDACTED] or on (08) 8216 1861.

Yours sincerely



Antony Clarke
Policy and Governance Manager